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Scale of assessments for the apportionment of the expenses of the United Nations

Letter dated 1 July 1999 from the President of the General Assembly to the Chairman of the Fifth Committee

In order that the Fifth Committee might take appropriate action, I have the honour to transmit to you herewith a letter dated 28 June 1999 from the Chairman of the Committee on Contributions in which he refers to the requests for exemptions under Article 19 of the Charter from Bosnia and Herzegovina, the Comoros, Georgia, the Republic of Moldova and Tajikistan. The appendix to the letter from the Chairman of the Committee on Contributions contains the sections of the Committee's report on its fifty-ninth session that deal with these questions.

(*Signed*) Didier **Opertti**

99-19824 (E) 060799 060799

Annex

[Original: English]

Letter dated 28 June 1999 from the Chairman of the Committee on Contributions to the President of the General Assembly

I have the honour to refer to General Assembly resolution 53/36 C, in which, among other provisions, the Assembly requested the Committee on Contributions to review the procedural aspects of the consideration of requests for exemption under Article 19 of the Charter, in particular modalities for dealing with such requests received when the Committee is not in session, and to make recommendations to the Assembly in that respect before the end of its fifty-third session. I also have the honour to refer to requests for exemption under Article 19 from Bosnia and Herzegovina, the Comoros, Georgia, the Republic of Moldova and Tajikistan.

In connection with these requests, the Committee on Contributions has requested me to transmit to the General Assembly without delay the sections of its report on its fifty-ninth session dealing with these questions. These are attached (see appendix).

(*Signed*) David **Etuket**
Chairman
Committee on Contributions

Appendix

Extracts from the report of the Committee on Contributions on its fifty-ninth session

A. Procedural aspects of the consideration of requests for exemption under Article 19

46. The Committee recalled that, pursuant to General Assembly resolution 50/207 B, it had reviewed the procedural aspects of the consideration of requests for exemption under Article 19 of the Charter at its fifty-sixth and fifty-seventh sessions. The observations resulting from that review are reflected in the Committee's reports on those sessions.[9] Pursuant to General Assembly resolution 52/215 B, the Committee considered the matter further at its fifty-eighth session. Its further observations are reflected in its report.[3]

47. The Committee emphasized the importance of the obligation of Member States to pay all assessed contributions in full and on time. It also stressed the need to apply a stringent standard to requests for exemption under Article 19. It recognized, however, that Article 19 provides for Member States to be permitted to vote despite falling under its provisions when the General Assembly is satisfied that the failure of a Member State to pay is due to conditions beyond its control.

48. In the context of considering requests for exemption under Article 19 at earlier sessions, the Committee identified a problem of timing. Under current procedures, Article 19 is applied on 1 January of each year based on data available only at the end of the previous year. Regular sessions of the Committee on Contributions are generally held between late May and early July each year, usually in June. Accordingly, even if the Committee recommends an exemption under Article 19 and this is approved by the General Assembly, the Member State concerned will be without a vote between 1 January and whenever the Assembly acts on the recommendation of the Committee. This will generally be some time between July and October/November. As resumed sessions of the Assembly have become more common, this problem of timing has become more significant.

49. In this connection, the Committee has recommended a number of exemptions under Article 19 through the next session of the General Assembly or until 30 June of the next year. This has permitted the Committee to consider any requests for extension of these exemptions at its subsequent regular sessions, without the concerned Member States' losing their right to vote in the meantime. Recommendations for extension can likewise be acted on by the Assembly before, or shortly after, the beginning of its next session so as to allow the Member States concerned to participate in all voted decisions.

50. Such provisions do not, of course, benefit Member States that are requesting an exemption for the first time, rather than an extension. In that connection, the Committee considered a number of different options including the convening of special sessions of the Committee early in the year; automatic interim exemptions for Member States requesting such exemptions, pending action by the Committee and the General Assembly; and adjusting the period used for calculation for application of Article 19 from the calendar year to a period beginning closer to the annual sessions of the Committee.

51. The Committee recalled that the General Assembly had decided to convene special sessions of the Committee in 1996 and 1999. Such meetings, however, do have financial implications and may not always be necessary. The granting of automatic interim exemptions to Member States requesting them would tend to weaken the effect of Article 19, as well as to prejudge the merits of such requests. Adjusting the period used for calculation of Article 19 would require amendment of the Financial Regulations and Rules of the United Nations and its other effects would have to be considered carefully. The gap between the application of Article 19 and the Committee's session would have to be long enough for the Member States concerned to have enough time to consider whether to request an exemption and to provide the necessary supporting information to the Committee.

52. The Committee also considered the possibility of holding its regular sessions earlier in the year. It concluded, however, that this was likely to complicate its work in advising the General Assembly on the scale of assessments, given the cycle of data collection and the need to allow adequate time to prepare documentation for the Committee that takes into account any mandates adopted by the Assembly at the end of the previous year.

53. Another problem of timing considered by the Committee was the period between its adoption of

recommendations concerning requests for exemption under Article 19 and action on those recommendations by the General Assembly. In this connection, the Committee decided to remit such recommendations to the current session of the Assembly so as to permit the earliest possible action.

54. A third problem of timing considered by the Committee related to requests for exemption under Article 19 that are received after the Committee's regular session. If such requests are deferred to the regular session, final action could be delayed for over one year.

55. Holding the Committee's regular sessions later in the year might reduce this potential problem, but it would increase the time between the application of Article 19 and the Committee's review of requests for exemption. It might also complicate the work of the Assembly on other issues considered by the Committee, especially in scale years. It was also suggested that the Chairman of the Committee could seek the views of members by correspondence. Such a process would not constitute a decision by the Committee and consultation by correspondence can be time-consuming. Furthermore, such a process does not allow for the interaction and questioning that form a regular part of the Committee's consideration of requests for exemption under Article 19. The Committee also considered the possibility of meeting, using video- or teleconferencing. It concluded, however, that technical and practical issues, including time differences between the 15 cities in which the current members of the Committee are resident, made such an approach impractical at present. The holding of special sessions, as in 1996 and 1999, is clearly possible but this takes some time to arrange and has financial implications for the Organization.

56. The Committee recalled that Member States in danger of falling under Article 19 in the coming year are advised of this by the Secretariat before the end of the year and that the Committee's regular session is normally held in June. The Committee therefore recommended that the General Assembly encourage all Member States intending to request permission to vote under Article 19 to do so early enough, before the Committee's regular session. The Committee also emphasized the importance for Member States requesting permission to vote under Article 19 of providing the fullest possible information, including on economic aggregates, government revenues, foreign exchange resources, indebtedness and any difficulties in meeting domestic or international financial obligations, as well as any other information that might support the claim that the failure to make the necessary payments was beyond the applicant's control. The Committee also decided to continue to consider the record of payments of Member States requesting permission to vote under Article 19.

...

D. Representations from Member States

87. The Committee received written representations from five Member States, Bosnia and Herzegovina, the Comoros, Georgia, the Republic of Moldova and Tajikistan. The Committee noted that four of these five were requesting an extension of an exemption under Article 19, two of them having received exemptions since 1996. The Committee emphasized that such exemptions must be regarded as a strictly exceptional measure and expressed concern at this evident tendency to extend them for long periods of time.

88. The Committee emphasized the importance of the obligation of all Member States to pay their assessed contributions in full and on time. In this connection, it recognized the difficult circumstances faced by those Member States now seeking exemption under Article 19. At the same time, it urged them, as proof of their good faith, to make some payments to the United Nations, even during the period of such exemptions, so as to reduce the amount of their arrears. In this connection, the Committee recalled that in February 1999, it had recommended an exemption under Article 19 until 30 June 2000 for Honduras, following the devastation in that country from hurricane Mitch. At that time, Honduras indicated the high priority that it placed on meeting its obligations to the United Nations and that it might be able to make the minimum payment necessary to regain its vote by the end of the year. The Committee noted with appreciation that such a payment was subsequently received from Honduras.

1. Bosnia and Herzegovina

89. The Committee had before it the text of a letter dated 4 June 1999 from the Acting President of the General Assembly to the Chairman of the Committee on Contributions, transmitting a letter dated 1 June 1999 from the Permanent Representative of Bosnia and Herzegovina to the United Nations addressed to the President of the Assembly, as well as the text of a letter dated 1 June 1999 from the Permanent Representative of Bosnia and Herzegovina to the United Nations addressed to the Chairman of the Committee on Contributions. It also heard an oral representation by the Permanent Representative of Bosnia and Herzegovina and received information from the Secretariat.

90. In its written and oral representations, Bosnia and Herzegovina pointed to the continuing problems of national reconstruction and institution-building following its protracted civil war and the new constitutional structure agreed to under the Dayton/Paris Peace Agreements. It also drew attention to new problems faced as a result of the situation in Kosovo. Bosnia and Herzegovina also drew attention to the fact that, since its meeting with the Committee in February 1999, it had paid over $1 million of its arrears and that the minimum amount payable to restore its right to vote was now less than $200,000. Unfortunately, a further payment could not be expected until the next budget cycle, but it intended to continue reducing its arrears and did not expect to need to request a further extension of its exemption under Article 19.

91. The Committee noted the continuing political and economic problems still facing the country and agreed that the failure of Bosnia and Herzegovina to pay the full amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended to the General Assembly that Bosnia and Herzegovina be permitted to vote until 30 June 2000, in the expectation that this would be the final extension of this exemption under Article 19.

92. The Committee noted with appreciation Bosnia and Herzegovina's payment towards its outstanding contributions to the United Nations and noted its intention to reduce its arrears further in the coming year to a point below the minimum necessary to avoid the application of Article 19.

2. Comoros

93. The Committee had before it the text of a letter dated 16 June 1999 from the Acting President of the General Assembly to the Chairman of the Committee on Contributions, transmitting a letter dated 14 June 1999 from the Chargé d'affaires a.i. of the Comoros to the United Nations addressed to the President of the Assembly, as well as the text of a note verbale dated 8 June 1999 from the Permanent Mission of the Comoros to the United Nations addressed to the secretariat of the Committee on Contributions. It also heard an oral representation by a representative of the Comoros and received information from a representative of the Organization of African Unity and from the Secretariat.

94. The representative of the Comoros advised that the political crisis caused by separatists in the islands of Anjouan and Moheli continued despite peace efforts under the auspices of the Organization of African Unity (OAU) and the League of Arab States. This effort had been suspended following a military *coup d'état* in April.

95. The representative of the Comoros indicated that the economic situation continued to be extremely difficult and was adversely affected by the political situation, which had cut off significant sources of revenue, including tourism. Salary payments to civil servants were currently being paid only every third month and salary arrears now totalled 14 months.

96. The representative of OAU informed the Committee that efforts at a political settlement had reached an advanced stage but had been upset by a military coup at the end of April. OAU had temporarily suspended military and political cooperation following the coup, which has clearly complicated hopes for improvement of the country's situation.

97. The Committee noted that the Comoros had benefited from exemptions under Article 19 since 1996. It further noted that no payments had been received from the Comoros since October 1996. The Committee expressed concern at the continuing increase in the arrears of the assessed contributions of the Comoros to the United Nations and the extended nature of its exemption under Article 19, a measure that is intended to be both exceptional and temporary. The Committee expects that the Comoros will make serious efforts to make payments as soon as possible, in order to reduce its arrears.

98. Notwithstanding these concerns, the Committee agreed that the failure of the Comoros to pay the amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended to the General Assembly that the Comoros be permitted to vote until 30 June 2000.

3. Georgia

99. The Committee had before it a letter dated 17 June 1999 and received on 18 June 1999 from the President of the General Assembly addressed to the Chairman of the Committee on Contributions, transmitting a letter dated 16 June 1999 from the Permanent Representative of Georgia to the United Nations requesting an exemption under Article 19.

100. The Committee recalled its decision to set a deadline for the receipt of such requests, as it has done in the past, so that there would be enough time to gather adequate information to ensure a full and fair hearing for all Member States concerned. It also recalled that Member States had been informed of this through announcements of the

Committee's schedule of work and the latest date by which such representations should be submitted. Some members, however, expressed the view that the Committee had enough time to consider the request of Georgia.

101. In view of the late receipt of its communication, the Committee was not in a position to consider the request of Georgia.

4. Republic of Moldova

102. The Committee had before it the text of a letter dated 24 May 1999 from the Acting President of the General Assembly addressed to the Chairman of the Committee on Contributions, transmitting a letter dated 20 May 1999 from the Permanent Representative of the Republic of Moldova to the United Nations addressed to the Acting President of the Assembly, as well as the text of a letter dated 2 June 1999 from the Permanent Representative of the Republic of Moldova to the United Nations addressed to the Chairman of the Committee on Contributions. It also heard an oral representation by the Permanent Representative of the Republic of Moldova and received information from the Secretariat.

103. The Republic of Moldova referred to severe economic problems stemming from actions by separatist forces in the eastern part of the country, the effects of the Russian economic crisis and natural disasters that have had an adverse impact on the agricultural sector. On this basis, the Republic of Moldova requested an exemption under Article 19 for the period of the first part of the fifty-fourth session of the General Assembly.

104. The Committee noted that the Republic of Moldova had suffered a serious decline in GDP because of the factors outlined above and the effects of economic restructuring. The Committee also noted the intention of the Republic of Moldova to pay off its arrears over the next five years. The Committee further noted the previous efforts of the Republic of Moldova to make payments towards its assessed contributions to the United Nations.

105. The Committee agreed that the failure of the Republic of Moldova to pay the amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended to the General Assembly that the Republic of Moldova be permitted to vote until 31 December 1999, in line with its request.

5. Tajikistan

106. The Committee had before it the text of a letter dated 15 June 1999 from the Acting President of the General Assembly to the Chairman of the Committee, transmitting a letter dated 14 June 1999 from the Permanent Representative of Tajikistan to the United Nations addressed to the President of the Assembly, which transmitted a letter dated 2 April 1999 from the Prime Minister of Tajikistan addressed to the Committee on Contributions, as well as the text of a note verbale dated 11 June 1999 from the Permanent Mission of Tajikistan to the United Nations addressed to the Committee on Contributions, transmitting the letter dated 2 April 1999 from the Prime Minister of Tajikistan addressed to the Committee on Contributions. It also heard an oral representation by the Permanent Representative of Tajikistan and received information from the Secretariat.

107. Tajikistan made reference to the continuing burdens imposed by the civil conflict that it had experienced and costs related to the implementation of peace accords. These underlying difficulties had been exacerbated by natural disasters, the Russian economic crisis and low prices for its cotton and aluminium. As a result, the Government had a substantial budget deficit and had needed to borrow internationally. Reform measures, including privatization, were being implemented. It was hopeful that these would improve the situation.

108. The Committee recognized the continuing and severe economic and political problems facing Tajikistan. At the same time it noted some positive signs. It also noted that Tajikistan has been granted a series of waivers since 1996 and that the extension that it now requests would be its fourth exemption under Article 19. On the other hand, it noted with appreciation Tajikistan's continuing efforts to make payments towards its outstanding assessed contributions. It also noted that Tajikistan had reduced its arrears in both 1998 and 1999 and looked forward to a continuing improvement of its position.

109. The Committee agreed that the failure of Tajikistan to pay the full amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended to the General Assembly that Tajikistan should be permitted to vote until 30 June 2000, in the expectation that this would be the final extension of its exemption under Article 19.

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Fifty-third session
Fifth Committee
Agenda item 118
Scale of assessments for the apportionment of the expenses of the United Nations

Letter dated 12 July 1999 from the Acting President of the General Assembly addressed to the Chairman of the Fifth Committee

In order that the Fifth Committee might take appropriate action, I have the honour to transmit to you herewith a letter dated 8 July 1999 from the Permanent Representative of Georgia to the United Nations containing a request, under Article 19 of the Charter of the United Nations, on the subject of his country's arrears.

(*Signed*) Win **Mra**

99-20513 (E) 120799

Annex

Letter dated 8 July 1999 from the Permanent Representative of Georgia to the United Nations addressed to the President of the General Assembly

[Original: English]

As you know, in order to reduce its arrears below the amount specified in Article 19 of the Charter of the United Nations, Georgia has to make a payment in the amount of US$ 4,639,800.

Since Georgia's admission to membership of the United Nations, the Government of Georgia has always made an effort not to fail in timely making its contribution to the Organization.

The problems of the economic transition have proved to be a heavy burden on the country's economy. Despite ongoing reforms and growth of the economic indicators, the Government of Georgia was compelled to reallocate the funds from its budget initially intended for the international organizations to the urgent needs of hundreds of thousands of refugees and displaced persons from the Georgian region of Abkhazia. Given the present gloomy prospect of having to return those people to their historical habitat, huge budget difficulties are likely to arise in Georgia.

Taking into consideration the above explanations, it becomes quite understandable that, at present, Georgia lacks the financial resources to cover its budgetary obligations to the United Nations.

During my last visit to Tbilisi, I participated in a meeting of the Government of Georgia. We will take all necessary steps to pay this year's contribution of $197,428 before August 1999. The schedule of total assessments will be submitted in the near future.

We request that the Fifth Committee discuss the possibility of granting Georgia the right to vote in the General Assembly during the fifty-fourth session.

(*Signed*) Peter **Chkheidze**
Ambassador
Permanent Representative